



SL. No.19

**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH**

COURT HALL NO: II

Hearing Through: VC and Physical (Hybrid) Mode

**CORAM: SHRI. RAJEEV BHARDWAJ – HON'BLE MEMBER (J)
CORAM: SHRI. SANJAY PURI - HON'BLE MEMBER (T)**

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL,
HYDERABAD BENCH, HELD ON 16.07.2025 at 10:30 AM**

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	IA (IBC)/1154/2020 in CP (IB) No. 294/7/HDB/2017
NAME OF THE COMPANY	IVRCL Limited
NAME OF THE PETITIONER(S)	State Bank of India
NAME OF THE RESPONDENT(S)	IVRCL Limited
UNDER SECTION	7 of IBC

ORDER

IA (IBC)/1154/2020

Orders pronounced, recorded vide separate sheets. In the result, the
IA (IBC)/1154/2020 is allowed.

Sd/-
MEMBER (T)

Sd/-
MEMBER (J)



**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, COURT-II**

**IA(IBC)1154 of 2020
in
C.P (IB) No.294/7/HDB/2017**

[U/s 42 of the Insolvency and Bankruptcy Code, 2016 against the decision of the Liquidator]

In the matter of State Bank of India v. M/s.IVRCL Limited

Between:

M/s. Life Insurance Corporation of India
Central Office, 6th Floor,
Yogakshema (East Wing),
Jeevan Bima Marg,
Mumbai – 400 021.

...Applicant

And

Mr.Sutanu Sinha,
Liquidator of M/s.IVRCL Limited,
'MIHIR', 8-2-350/5/A/24/1B
Road # 2, Panchavati Colony
Banjara Hills
Hyderabad – 500 034

...Respondent

Date of Order: 16.07.2025

Coram:

Shri Rajeev Bhardwaj, Hon'ble Member (Judicial)
Shri Sanjay Puri, Hon'ble Member (Technical)

Counsels Present

For the Applicant : Mr.Krishna Grandhi, Sr.Counsel,
Mr.G.P.Yash Vardhan, Ms.Khushi Singh,
Advocates
For the Respondent : Mr.Nirav Shah, Advocate



[PER: RAJEEV BHARDWAJ, MEMBER (JUDICIAL)]

ORDER

1. This is an application filed under Section 42 of the Insolvency and Bankruptcy Code, 2016 (IBC), challenging the rejection of the Applicant's revised claim by the Liquidator of M/s. IVRCL Limited (CD) vide communication dated 28.11.2019.
2. **Application:**
 - 2.1 The Applicant had extended financial assistance to the CD in 2008 by subscribing to Secured, Redeemable, Non-Convertible Debentures (NCDs) worth Rs.200 crores.
 - 2.2 The CD was admitted into Corporate Insolvency Resolution Process (CIRP) on 23.02.2018, and an Order of Liquidation was passed on 26.07.2019.
 - 2.3 Upon the Liquidator's Public Announcement dated 31.07.2019, the Applicant submitted its claim in Form-D on 21.08.2019. However, the said Form did not contain details on the status of relinquishment of security interest as required by Column 8A of Form-D, inserted via IBBI Notification dated 25.07.2019.
 - 2.4 The Liquidator pointed out this omission vide email dated 18.09.2019. The Applicant responded promptly on 19.09.2019, stating that it had not relinquished its security interest. Subsequently, at the instance of the Liquidator, the Applicant submitted a revised Form-D on 05.11.2019, clarifying partial relinquishment.



2.5 The Liquidator, while acknowledging receipt of the revised claim, declined to admit it unless delay in submission was condoned by the NCLT. Consequently, the present Application was filed under Section 42.

3. Counter of the Respondent:

3.1 The Respondent relies on Regulation 21A of the IBBI (Liquidation Process) Regulations, 2016 (**Liquidation Regulations**), to submit that the Applicant was required to intimate its decision on relinquishment of security interest within 30 days from the liquidation commencement date, failing which the asset is deemed to be part of the liquidation estate.

3.2 The Respondent contends that the Form-D did not disclose the status of relinquishment, and repeated communications and meetings reflected the Applicant's delay and omission in this regard.

4. We have heard the Learned Senior Counsel for the Applicant and Learned Counsel for the Respondent, perused the written submissions and have gone through the entire records.

5. Findings:

5.1 The present application was filed on 01.12.2020, i.e., 368 days after the rejection of the revised Form-D by the Liquidator on 28.11.2019. Though the application was initially allowed by this Authority on 02.02.2022, the said Order was subsequently set aside by the Hon'ble National Company Law Appellate Tribunal (**NCLAT**) vide Order dated 29.07.2024, with a direction to consider the matter afresh.



5.2 It is not in dispute that Column 8A in Form-D, which requires disclosure regarding relinquishment of security interest, was introduced by the IBBI Notification dated 25.07.2019—prior to the Liquidator’s public announcement dated 31.07.2019. Accordingly, the Applicant was duty-bound to furnish the relevant disclosure in terms of the amended Form-D and Regulation 8A, which reads as under:

[8A	WHETHER SECURITY INTEREST RELINQUISHED	Yes/No]
-----	---	---------

5.3 Liquidation Regulations mandates that a Secured Creditor must intimate its decision on relinquishment of security interest within 30 days of the liquidation commencement date. A failure to do so results in the secured asset forming part of the liquidation estate by operation of Law.

5.4 Admittedly, the initial claim submitted by the Applicant did not comply with the amended Form-D and lacked the necessary disclosure under Column 8A. However, the Liquidator, instead of rejecting the claim outright, provided the Applicant an opportunity to clarify the position via email dated 18.09.2019. The Applicant responded promptly on 19.09.2019 and thereafter submitted a revised Form-D on 05.11.2019. The record also reflects that the Liquidator addressed an email on 24.09.2019 (forming part of the Applicant record), requesting resubmission of Form-D with appropriate disclosure regarding relinquishment.



- 5.5 Thereafter, the Liquidator asked the Applicant to obtain condonation of delay from this Authority. The Liquidator's continuous engagement with the revised claim and the instruction to seek condonation contributed significantly to the delay in approaching this Authority.
- 5.6 The total delay, therefore, consists of (i) 71 days in submission of the revised Form-D; and (ii) 368 days in filing the present Application after rejection of the claim by the Liquidator.
- 5.7 Both periods must be assessed in the context of the Liquidator's interactions with the Applicant and the developing legal framework concerning procedural timelines.
- 5.8 It is a well-settled principle that even in the absence of a formal application for condonation of delay, such delay can be condoned where sufficient cause is evident on record. In *Sesh Nath Singh v. Baidyabati Sheoraphuli Cooperative Bank Ltd. (2021) 7 SCC 313*, the Hon'ble Supreme Court held that proceedings under the IBC are subject to the provisions of the Limitation Act, 1963, including Section 5, unless expressly excluded. Therefore, the absence of an express prayer for condonation is not fatal in the present case.
- 5.9 The IBC is a beneficial legislation aimed at maximizing the value of assets and ensuring equitable distribution among stakeholders. Procedural timelines, though significant, are meant to promote expedient resolution and liquidation—not to defeat substantive claims on hyper-technical grounds. The Hon'ble Supreme Court in *Swiss Ribbons Pvt. Ltd. v. Union of India (2019) 4 SCC 17* emphasized the need to balance procedural compliance with equitable justice, and such balancing must guide this adjudication as well.



5.10 The IBC and its allied regulations must be interpreted purposively. In the absence of express exclusion, the Limitation Act applies to proceedings before this Authority. In ***Surendra Trading Company v. Juggilal Kamlapat Jute Mills Co. Ltd. (2017) 16 SCC 143***, the Hon'ble Supreme Court clarified that statutory timelines under the Code are directory and not mandatory. Further, in ***Kalpraj Dharamshi v. Kotak Investment Advisors Ltd. (2021) 10 SCC 401***, the Hon'ble Supreme Court recognized that a litigant is entitled to benefit under Section 14 of the Limitation Act if it had been bona fide pursuing a remedy in a wrong forum with due diligence. These principles apply with equal force to the Applicant's conduct in the present case.

5.11 The bar on condonation of delay under Section 61(2) of the IBC, as elucidated in ***National Spot Exchange Ltd. v. Anil Kohli AIR 2021 SC 4339***, does not apply here. Section 42 of the Code contains no outer limit for preferring an Appeal nor any bar on the applicability of the Limitation Act. Therefore, this Tribunal retains jurisdiction to condone the delay upon sufficient cause being shown.

5.12 It is relevant to observe that in provisions where the legislature intended to prescribe a strict bar (e.g. Section 61(2) IBC, Section 34 of the Arbitration and Conciliation Act, Section 125 of the Electricity Act), the legislative intent was expressly stated. In contrast, no such embargo exists in Section 42 of the IBC or Regulation 21A of Liquidation Regulations. Hence, condonation of delay is permissible when justified on facts.



5.13 In the present case, the delay in submission of the revised Form-D and in filing the Appeal was neither deliberate nor mala fide. The Applicant responded expeditiously to the Liquidator's communications and acted in good faith. The Liquidator's act of requiring resubmission and interacting with the revised claim without immediately raising the issue of limitation contributed to the delay. These circumstances justify invoking equitable principles to condone the delay.

5.14 Equitable principles warrant invocation in this case. Rejecting the Applicant's claim purely on procedural grounds, despite its partial security and considerable exposure, may result in disproportionate prejudice and disrupt the equitable distribution of the liquidation estate. A purposive construction of the Code militates against such exclusion.

6. Final Order:

In view of the detailed findings above and considering the principles of equity, justice, and good conscience as embodied in the IBC and the applicable judicial precedents:

- i. The delay of 71 days in submission of the revised Form-D by the Applicant and the delay of 368 days in filing the present Application under Section 42 of the IBC are hereby condoned.
- ii. The rejection of the Applicant's revised claim by the Liquidator on the ground of delay is set aside.
- iii. The Liquidator is directed to consider the Applicant's revised claim dated 05.11.2019 on merits and in accordance with law, within a period of four weeks from the date of receipt of this Order.



- iv. It is clarified that this Order does not amount to an adjudication on the validity or admissibility of the claim itself, which shall be considered afresh by the Liquidator independently, without being influenced by the earlier rejection.

7. Accordingly, the application stands allowed in the above terms. No order as to costs.

Sd/-

SANJAY PURI
MEMBER (TECHNICAL)

Sd/-

RAJEEV BHARDWAJ
MEMBER (JUDICIAL)